11th International Anti-Corruption Conference: Workshop 6.1
Presentation Abstract

1. Your name: Dr. Justin O'Brien	2. Workshop Title: Politicians incorporated
3. Title of case-study or paper: The spiderless web: The global implications of the corporate corruption scandals in the United States	

The corporate corruption scandals in the United States have generated heated global debate about the role of the corporation in modern governance. As regulators, politicians, lawyers, accountants and corporate executives seek to navigate their way through an ocean of public cynicism about the operation of the equities market, the true cost of the wave of scandal that deluged Lower Manhattan has yet to be fully tabulated. Each day brings new stories of corporate malfeasance; vanity and greed that appears to surpass already strained credulity about the behaviour of morally challenged executives, somnambulant boards and ineffective professional and regulatory gatekeepers. The unrelenting focus on corrupted actors, however, risks misdiagnosing a much more fundamental problem. Corporate corruption is truly a crime of opportunity and nowhere was the opportunity to transgress the law more pronounced than in the United States in the final years of an extraordinary bull market. The central argument of this paper is that systemic failings in the American business, economic and political model raise fundamental concerns that have global application. A corrupted core has been exposed that require urgent attention be paid to the inter-relationship between the corporate and political sectors. The endemic conflicts of interest and breakdown of fiduciary trust did not happen by accident. They have roots in concrete political decisions. By mapping the political economy of corruption in the United States, the paper seeks to demonstrate how corporate interests determine policy options. Specifically, the paper provides an analysis of the tax strategy employed by Enron to assess how the avoidance of tax segued into evasion with the collusion of those in whom gatekeeper trust had been placed as a consequence of a deeply flawed self-policing paradigm.